

# FISCAL NOTE

## HB 980 - SB 1649

March 2, 2005

**SUMMARY OF BILL:** Exempts any transferee from paying the Realty Transfer Tax when transferee presents with the instrument to be recorded an approved application classifying the property as agricultural land.

### ESTIMATED FISCAL IMPACT:

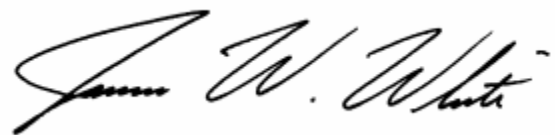
**Decrease State Revenues – Exceeds \$4,900,000**

Assumptions:

- According to the Department of Revenue, a random sample of six counties was used to determine the number of recent property transfers involving greenbelt property. It was determined that 847 transfers occurred. Dividing this number by six approximates 141 transfers per county.
- Sample of the six counties is representative of entire state.
- 13,410 greenbelt transfers in Tennessee (141 transfers X 95 counties = 13,410 total transfers).
- Current transfer tax is \$0.37 per \$100.
- Average transfer price is \$100,000.
- Tax base is \$1.341 billion (13,410 transfers X \$100,000 average transfer price = \$1.341 billion).
- Estimated decrease in state revenue exceeds \$4.9 million [(1.341 billion tax base/\$100) X (\$0.37) = \$4,961,700].

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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